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December 14, 2012 TRC Solutions Project No. 192355

Mr. Gary Moore U.S. EPA Region 6 1445 Ross Avenue, Suite 1200 Dallas, TX 75202-2733

Re: Daily Progress Report

Falcon Refinery Superfund Site

Ingleside, San Patricio County, Texas

TXD 086 278 058

Dear Mr. Moore:

On behalf of Lazarus Texas Refinery I, LLC, (Lazarus), TRC Solutions (TRC) submits this Daily Progress Report on the Removal Action Activities at the Falcon Refinery Federal Superfund Site to the United States Environmental Protection Agency for your review.

If you have any questions, comments, or concerns, please do not hesitate to contact me at (361) 522-1935.

Sincerely, TRC

Alonzo G. Arredondo Senior Geologist

Attachment: Daily Progress Report cc: Lazarus Texas Refinery I, LLC

DAILY PROGRESS REPORT - Falcon Refinery Federal Superfund Site, Ingleside, TX;

1. DAILY PROJECT ACTIVITIES COMPLETED ON DECEMBER 12, 2012

The following activities were conducted today.

- Transferred oil from Tank 26 into Tank 30.
- Cleaned the floor after sandblasting Tank 16 / evaluated structural integrity of the Tank.
- Removed/treated a total of 9,650 bbl. of water/oil from Tank 26 and transferred it into Tank 12 to date.

2. WORKERS ON-SITE THIS PERIOD

Personnel	Period	Task / Subtask
LAZARUS		
Everardo Saavedra, Team Leader	Dec. 12, 2012	Clean/repair/evaluate Tank 16 and pump oil from Tank 26 to Tank 30.
Francisco Javier Trujillo, Site Worker	Dec. 12, 2012	Clean/repair/evaluate Tank 16 and pump oil from Tank 26 to Tank 30.
Jose Luis Galvan, Site Worker	Dec. 12, 2012	Clean/repair/evaluate Tank 16 and pump oil from Tank 26 to Tank 30.

3. STATUS OF TANK 16

At the completion of the power washing of Tank 16 by Superior Crude's contractor, Lazarus began sandblasting the floor to help evaluate the structural integrity of the floor. In the week of November 26 – 30, 2012 Lazarus worked to identify corrosion and holes in the floor of the Tank. Lazarus has patched small holes with fiberglass material and will also procure a contractor to evaluate the structural integrity of the floor in Tank 16 using Method API 653. At the completion of the inspection, the Tank Inspector will provide Lazarus with recommendations for the repair/modification to the floor that will allow Tank 16 to be placed into service.

Upon completion of the recommended repairs to the floor, Lazarus will use Tank 16 to store treated water that is currently being held in Tank 12. Lazarus will hold the treated water in Tank 16 until the floor of Tank 30 has been cleaned, inspected and repaired. Then water will be transferred from Tank 16 into Tank 30 for storage until it can be land applied for the propagation of native grasses.